

Saskatchewan Impaired Driver Treatment Centre

FINANCIAL STATEMENTS

For the Year Ended March 31, 2012



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Saskatchewan Impaired Driver Treatment Centre, which comprise the statement of financial position as at March 31, 2012, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Impaired Driver Treatment Centre as at March 31, 2012, and the results of its operations, changes in its net assets, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 20, 2012

Bonnie Lysyk, MBA, CA
Provincial Auditor

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
STATEMENT OF FINANCIAL POSITION
As at March 31

ASSETS	<u>2012</u>	<u>2011</u>
Current Assets		
Cash	\$ 57,196	\$ 33,982
Accounts receivable	1,292	1,458
Prepaid Expenses	<u>-</u>	<u>8,690</u>
Total current assets	<u>58,488</u>	<u>44,130</u>
Non-current assets		
Capital assets (Note 4)	<u>62,735</u>	<u>69,042</u>
Total non-current assets	<u>62,735</u>	<u>69,042</u>
	<u><u>\$ 121,223</u></u>	<u><u>\$ 113,172</u></u>
 LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts payable and accrued charges	<u>\$ 29,848</u>	<u>\$ 6,079</u>
Total current liabilities	<u>29,848</u>	<u>6,079</u>
Net Assets		
Net assets invested in capital assets	62,735	69,041
Externally restricted net assets (Note 2(d))	28,640	38,052
Unrestricted net assets	<u>-</u>	<u>-</u>
Total net assets	<u>91,375</u>	<u>107,093</u>
	<u><u>\$ 121,223</u></u>	<u><u>\$ 113,172</u></u>

(See accompanying notes to the financial statements)

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2012		2011
	Budget (Note 8)	Actual	Actual
Revenue			
Ministry of Health - General Revenue Fund	\$ 1,014,159	\$ 1,014,158	\$ 969,614
Miscellaneous	4,000	8,828	5,374
	<u>1,018,159</u>	<u>1,022,986</u>	<u>974,988</u>
Expenses			
Salaries and employee benefits	759,298	780,300	741,210
Food	76,087	74,200	71,234
Utilities	25,000	25,482	28,362
Rent	71,958	73,496	41,958
Maintenance	13,000	14,449	12,924
Contractual services	12,210	16,688	12,804
Miscellaneous	5,779	3,160	4,839
Property taxes	14,000	12,062	11,706
Printing, postage and office supplies	10,079	3,183	7,355
Insurance	5,457	5,444	5,375
Furniture and equipment rental	-	1,186	2,509
Staff training and travel	12,686	7,738	9,529
Board honoraria and expenses	2,000	1,453	1,158
Vehicle expenses	3,045	2,794	2,730
Professional services	3,000	-	513
	<u>1,013,599</u>	<u>1,021,635</u>	<u>954,206</u>
Excess of revenue over expenses	4,560	1,351	20,782
Amortization of capital assets	16,873	16,873	15,544
Loss on disposal of capital assets	<u>-</u>	<u>196</u>	<u>-</u>
Excess (Deficiency) of revenue over expenses for the year	<u>\$ (12,313)</u>	<u>\$ (15,718)</u>	<u>\$ 5,238</u>

(See accompanying notes to the financial statements)

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SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2012

	<u>2012</u>			<u>2011</u>
	Invested in Capital Assets	Externally Restricted Net Assets (Note 2d)	Total	Total
Balance, Beginning of Year	\$ 69,041	\$ 38,052	\$ 107,093	\$ 101,855
Excess (Deficiency) of Revenue over Expense for the year	(17,069)	1,351	(15,718)	5,238
Investment in Capital Assets	<u>10,763</u>	<u>(10,763)</u>	<u>-</u>	<u>-</u>
Balance, year end	<u>\$ 62,735</u>	<u>\$ 28,640</u>	<u>\$ 91,375</u>	<u>\$ 107,093</u>

(See accompanying notes to the financial statements)

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2012

	<u>2012</u>	<u>2011</u>
Cash from (used in) operating activities		
Cash received from Ministry of Health		
General Revenue Fund	\$1,014,158	\$969,614
Cash received from other operating activities	8,995	6,413
Cash paid to suppliers and employees	<u>(989,176)</u>	<u>(954,986)</u>
Net cash from operating activities	<u>33,977</u>	<u>21,041</u>
Cash used in financing and investing activities		
Acquisition of capital assets	<u>(10,763)</u>	<u>-</u>
Net cash used in financing and investing activities	<u>(10,763)</u>	<u>-</u>
Net increase in cash	23,214	21,041
Cash, beginning of year	<u>33,982</u>	<u>12,941</u>
Cash, end of year	<u><u>\$ 57,196</u></u>	<u><u>\$ 33,982</u></u>

(See accompanying notes to the financial statements)

SASKATCHEWAN IMPAIRED DRIVER TREATMENT CENTRE
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2012

1. Authority

Pursuant to section 85 of *The Public Health Act*, a board of governors was established on February 1, 1979 to operate an alcoholism rehabilitation hospital to be known as the Saskatchewan Impaired Driver Treatment Centre (Centre). The Centre commenced operations on October 1, 1979. The current board was appointed by Order in Council #707/2010 dated December 9, 2010.

2. Significant accounting policies

Pursuant to standards established by the Public Sector Accounting Board, the Centre is classified as a Government not-for-profit organization. The Centre follows the deferral method of accounting for not-for-profit organizations. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

b) Capital assets

Capital assets include property, plant and equipment and are recorded at cost. Normal maintenance and repairs are expensed as incurred. Capital assets are amortized on a straight-line basis over their estimated useful lives (3 to 20 years). Assets costing less than \$600 are expensed in the current year.

c) Revenue

Revenue includes contributions from Ministry of Health - General Revenue Fund. Amounts are included in revenue in the year in which they are received or receivable.

d) Externally restricted net assets

Externally restricted net assets reflect accumulated unspent revenue restricted for future initiatives approved by Ministry of Health.

3. Commitments

Operating lease

The Centre has an operating lease agreement for the Centre's treatment facility at an annual cost of \$70,000 plus applicable taxes. The agreement is effective from April 1, 2011 and expires October 31, 2015.

4. Capital assets

	2012			2011
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture & equipment	\$ 99,429	\$ 63,537	\$ 35,892	\$ 35,931
Leasehold improvements	62,810	35,967	26,843	33,111
	<u>\$ 162,239</u>	<u>\$ 99,504</u>	<u>\$ 62,735</u>	<u>\$ 69,042</u>

5. Financial instruments

Financial instruments consist of:

Cash
Accounts receivable
Accounts payable

- There are no significant terms and conditions associated with the financial instruments that may affect the amount, timing and certainty of future cash flows. The Centre's receivables and payables are non-interest bearing therefore interest rate risk is minimal.
- The Centre is exposed to minimal credit risk as most of the Centre's receivables are from provincial and federal governments.

Cash is classified as held-for-trading. Accounts receivable are classified as loans and receivables. Accounts payable and accrued charges are classified as other liabilities. The carrying value approximates fair value due to the short-term nature of these instruments.

6. Related party transactions

Included in these financial statements are payment transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Centre by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

In addition, the Centre pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The Centre's related party transactions are in the normal course of operations. These transactions are recorded at exchange amounts agreed to by the related parties. See below for related party revenue, expenses, accounts receivable and accounts payable for the year ended March 31, 2012.

	<u>2012</u>	<u>2011</u>
Revenue		
Ministry of Health	<u>\$1,014,159</u>	<u>\$ 969,614</u>
	<u>1,014,159</u>	<u>969,614</u>
Expenses		
SaskTel	\$ 4,856	\$ 6,330
SaskPower	10,631	12,581
SaskEnergy	5,113	7,806
SGI	1,131	1,131
Workers' Compensation Board	7,495	6,180
Public Employees Pension Plan	33,566	30,525
Public Employees Disability Income Plan	5,456	5,364
Public Employees Group Life	3,943	4,235
Public Employees Dental Plan	<u>5,814</u>	<u>7,554</u>
	<u>78,005</u>	<u>81,706</u>
Accounts Payable		
SaskTel	\$ 369	\$ 729
SaskPower	1,282	253
SaskEnergy	634	923
Public Employees Pension Plan	3,004	-
Public Employees Disability Income Plan	585	-
Public Employees Group Life	<u>386</u>	<u>-</u>
	<u>6,260</u>	<u>1,905</u>

7. Pension plan

The Centre participates in the Public Employees Pension Plan (Plan) which is a defined contribution plan. The Centre's financial obligation to the Plan is limited to making regular payments for the required contribution. The Centre's pension expense for 2012 amounts to \$36,570 (2011 - \$30,525) and is included in salaries and employee benefits.

8. Budget

These amounts represent the budget approved by the Centre's Board of Governors.

9. Future Accounting Policy Change

In September 2010, the Public Sector Accounting Board approved an amendment to the introduction to Public Sector Accounting Handbook. Effective for fiscal years beginning on or after January 1, 2012, government not-for-profit organizations are directed to use either the public sector accounting standards or public sector accounting standards for government not-for-profit organizations. The Centre is currently assessing the appropriateness and potential impact of the change in accounting standards on its financial statements for the year ending March 31, 2013.